

The Multicultural Imperative

Presented by Environics Analytics
& Environics Research

Tuesday, June 9, 2009



Understanding the Demographics



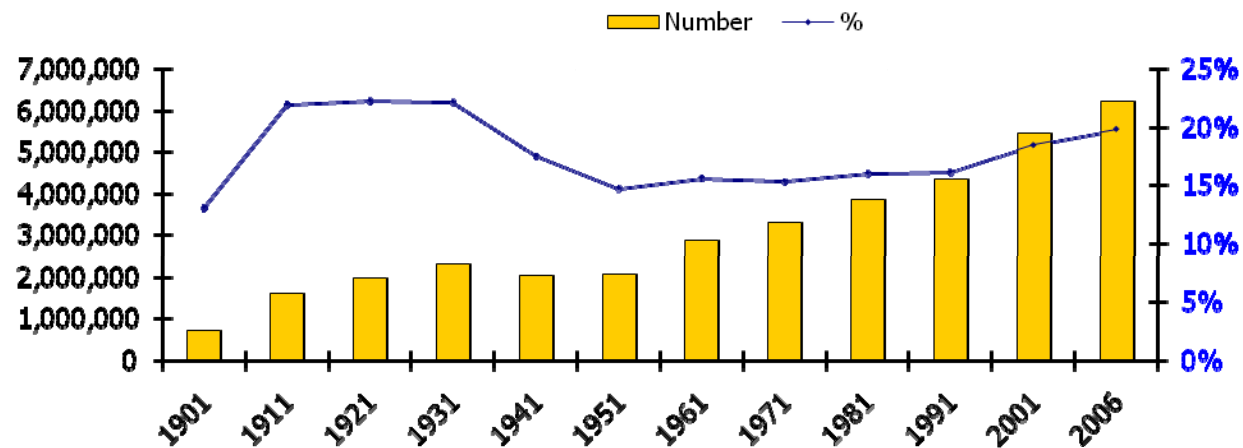
Dimensions of the Multicultural Market

- General agreement that population is defined by the following varied demographic concepts:
 - Immigration and tenure in Canada
 - Generation Status
 - Country of Birth/Ethnic Origin/Visible Minority Group
 - Language
 - ▲ Mother Tongue
 - ▲ Language Spoken at Home
 - ▲ Knowledge of Official Language
- Census is the largest and richest source
 - But not the only source
 - Has some gaps and challenges

One in five were foreign-born, highest since 1931

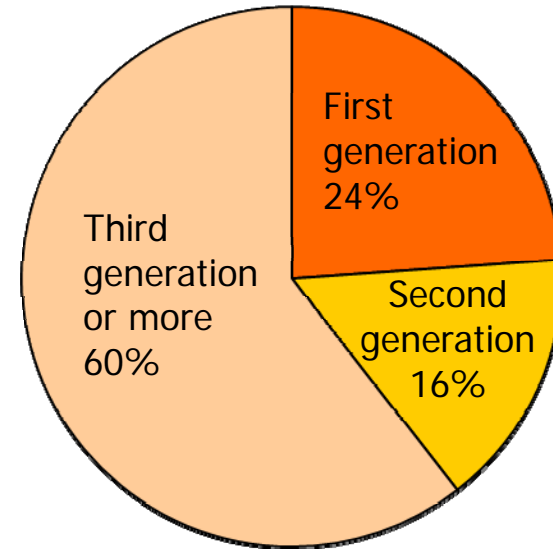
Australia 22.2%
U.S. 12.5%

Number and Proportion of Foreign-Born in Canada, by Census Year



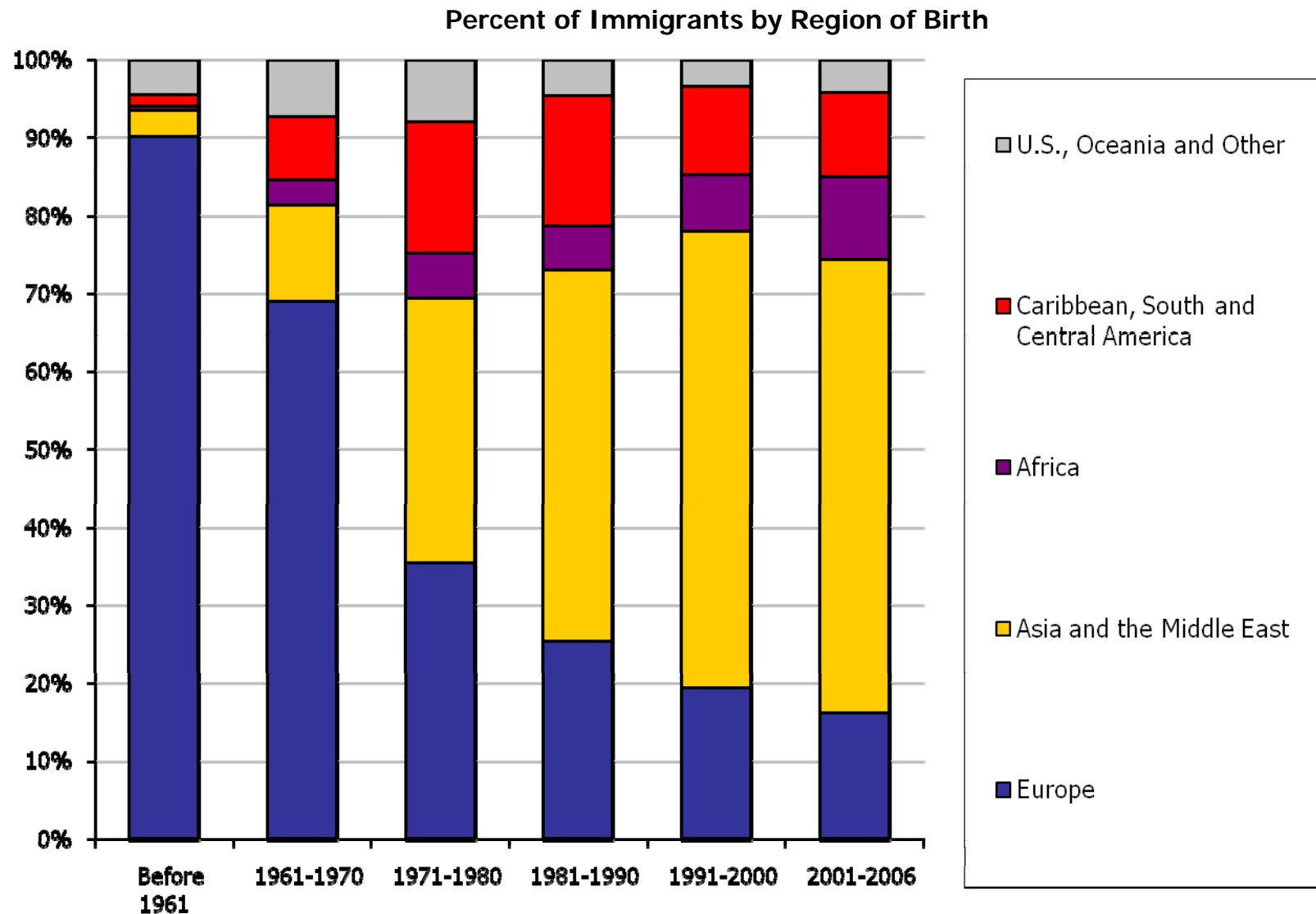
Generation Status: Population Aged 15 and Over

- **First generation:** includes persons born outside Canada
- **Second generation:** includes persons born inside Canada with at least one parent born outside Canada
- **Third generation or more:** includes persons born inside Canada with both parents born inside Canada



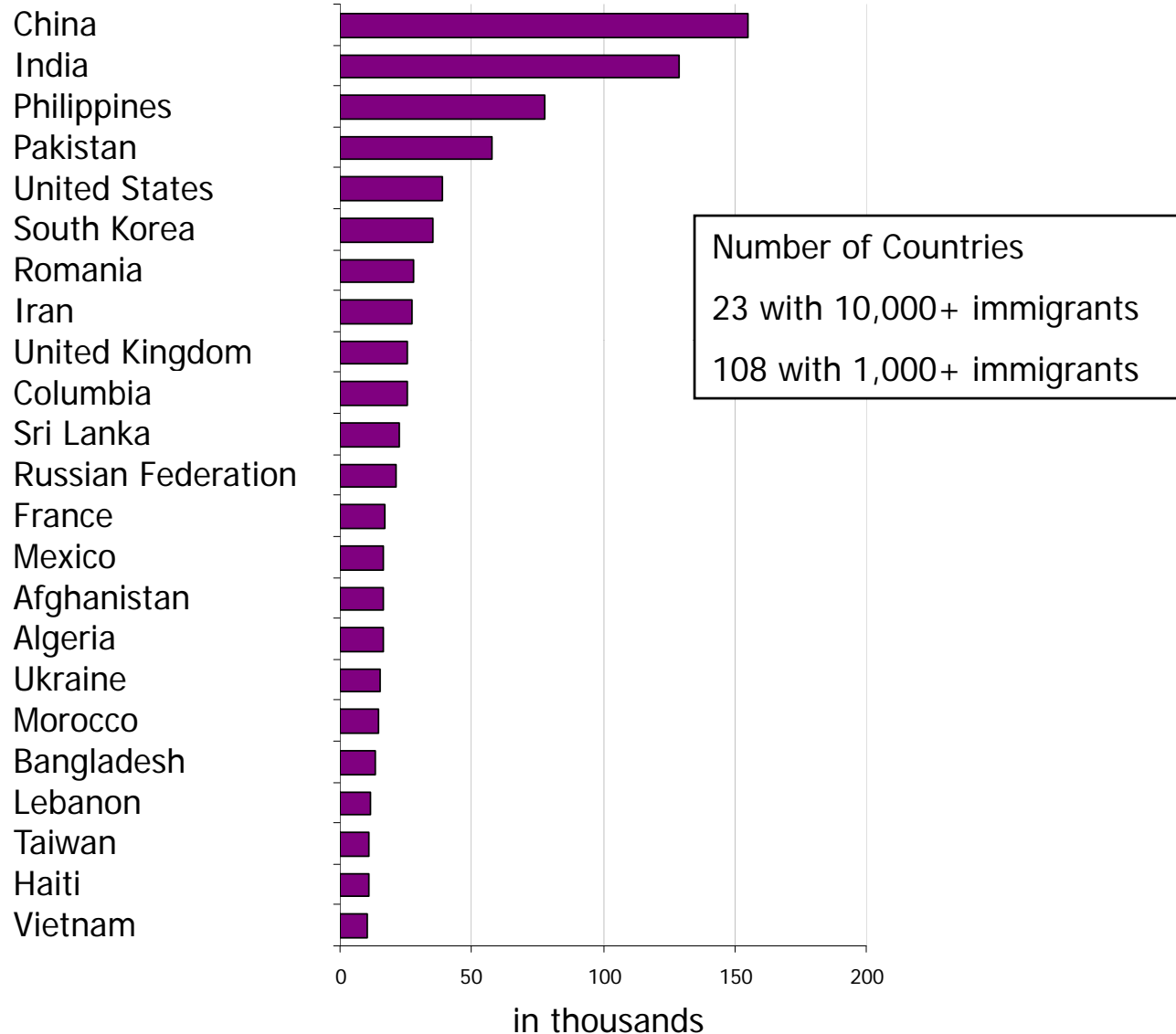
First generation 6.1 million
Second generation 4 million

Source of Immigrants has Changed Dramatically

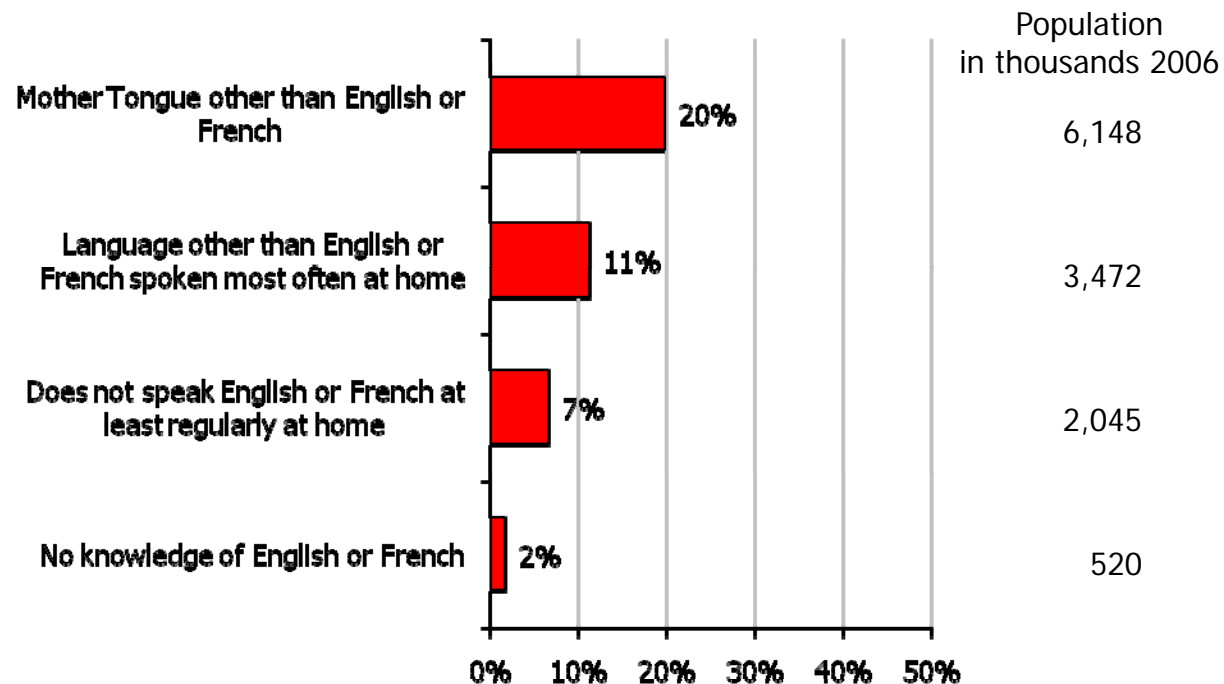


23 countries had over 10,000 immigrants between 2001 and 2006

Number of Immigrants 2001-2006



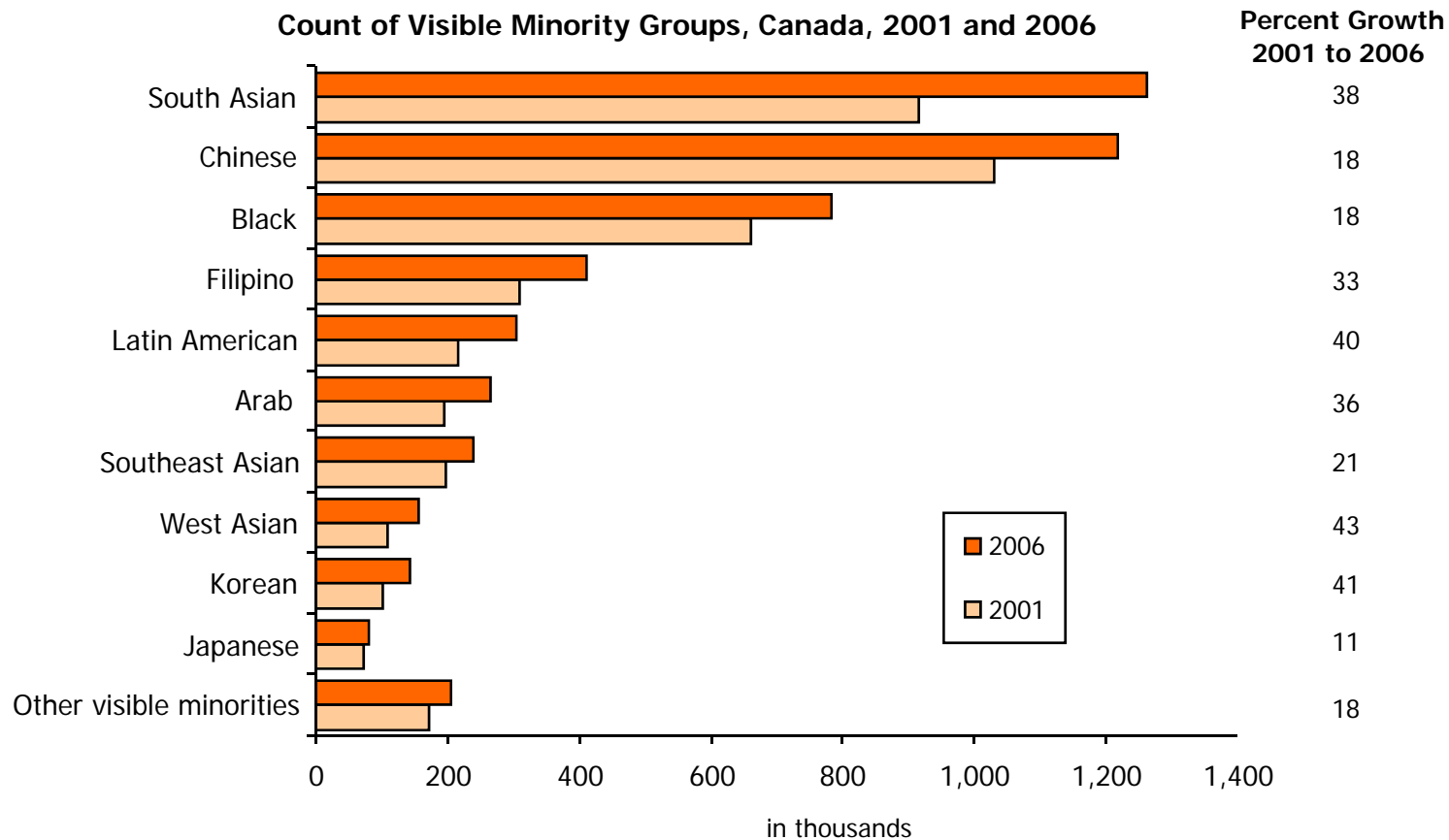
Having a non-official mother tongue does not mean that residents do not speak or understand English or French



Media Specific to Cultural Community

Variable	Chinese	South Asian
	% of Households	
Watching TV daily	55	35
Listening to Radio daily	35	31
Reading Newspapers daily	24	10

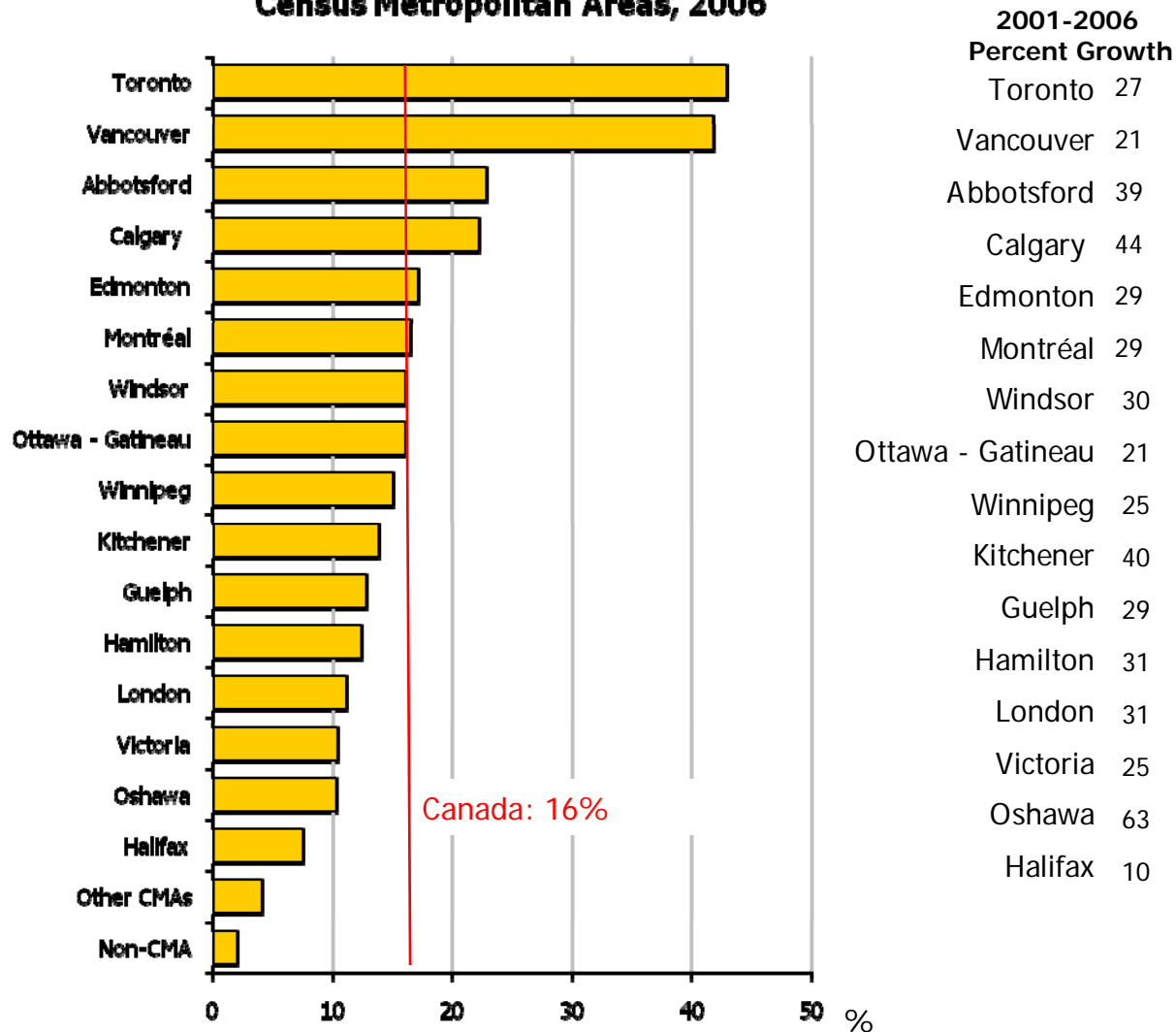
South Asian was the largest visible minority group, surpassing the Chinese and the one million mark



Note: 'Other visible minorities' includes multiple visible minority and visible minority, not included elsewhere.

More than 4 in 10 people in the Toronto and Vancouver Census Metropolitan Areas belonged to a visible minority group

**Percent of Visible Minority In the Population,
Census Metropolitan Areas, 2006**

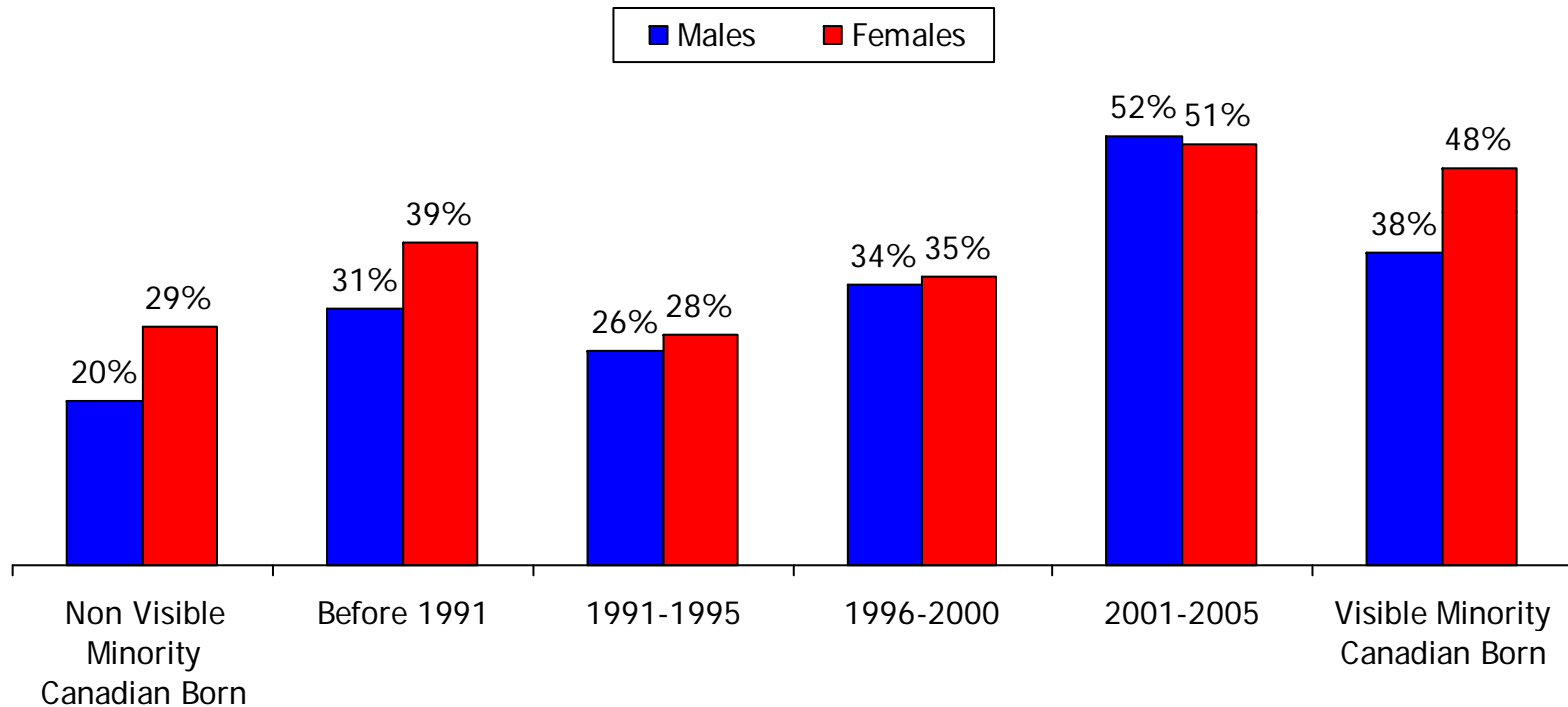


Diversity of population varies across Census Metropolitan Areas

Toronto	Vancouver	Montréal	Calgary	Ottawa-Gatineau	Edmonton
South Asian 32%	Chinese 43%	Black 29%	Chinese 28%	Black 25%	Chinese 27%
Chinese 22%	South Asian 23%	Arab 17%	South Asian 24%	Chinese 18%	South Asian 23%
Black 16%	Filipino 9%	Latin American 13%	Filipino 11%	Arab 16%	Black 12%
Filipino 8%	Korean 5%	Chinese 12%	Black 9%	South Asian 15%	Filipino 11%
Latin American 5%	Southeast Asian 4%	South Asian 12%	Southeast Asian 7%	Southeast Asian 7%	Arab 7%

Recent immigrant and second generation members of visible minority groups are highly educated

Percent of Population Aged 25-34 with University Degree, Canada, 2006



Complex Diversity Portrait

- One of the most culturally diverse countries in world
- Many new immigrant groups rapidly increasing in size
- Diversity concentrated in a few large markets – but that's changing
- 5 million Canadians are members of a visible minority group – but there is much variation in ethnicity, language and background
- 30% of visible minority population is born in Canada
- Most newcomers know and speak English – but many use their mother tongue at home
- Some groups cluster geographically – others don't
- Some neighbourhoods are very "ethnic" but are not characterized by one ethnicity

Conducting Research



Understanding Canada's Multicultural Communities from Two Key Dimensions

Tenure

- Generational differences
- Finer tenure groups within the first generation immigrants
- Pre-immigrants

Culture

- In-language/in-culture qualitative focus groups, in-depth interviews, ethnographies, etc.
- Multi-lingual quantitative telephone or online surveys



Tools and resources:

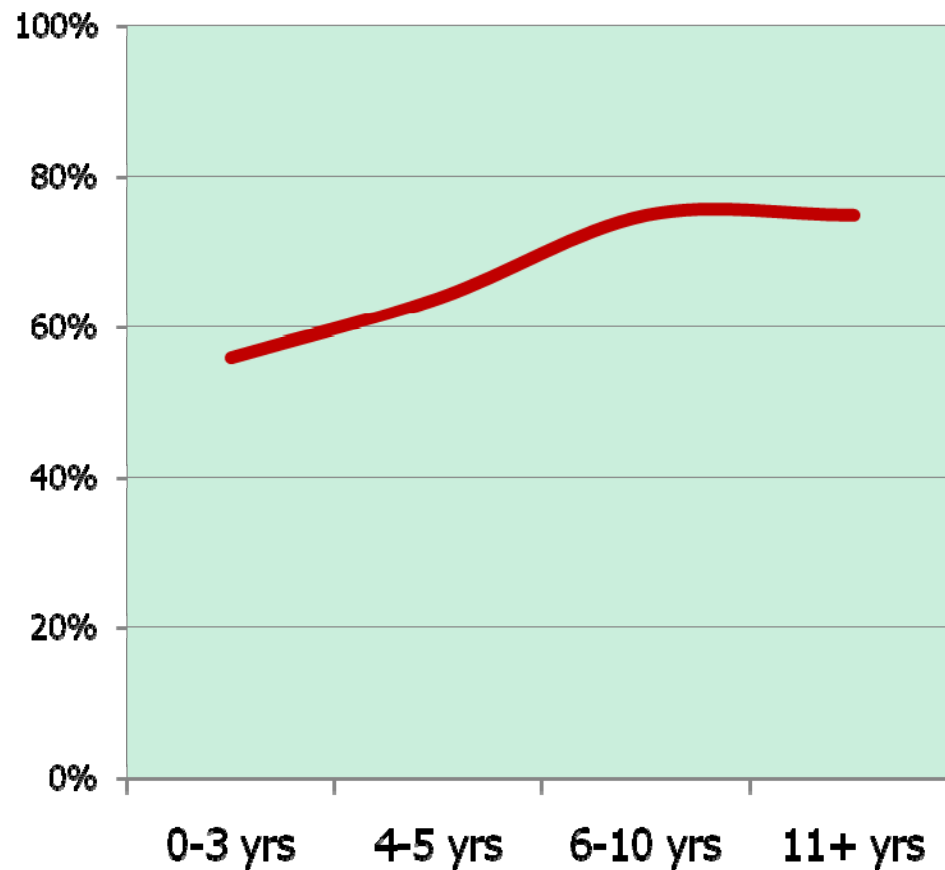
- Online panel + database
- Omnibus
- A network of highly skilled moderators

Why pay attention to tenure differences?

- Tenure sometimes is a good indicator of acculturation in terms of product adoption and brand adoption
- It reveals different types of opportunities
- It also suggests the most relevant window of opportunities

Participated in a loyalty program in the past 12 months

Chinese

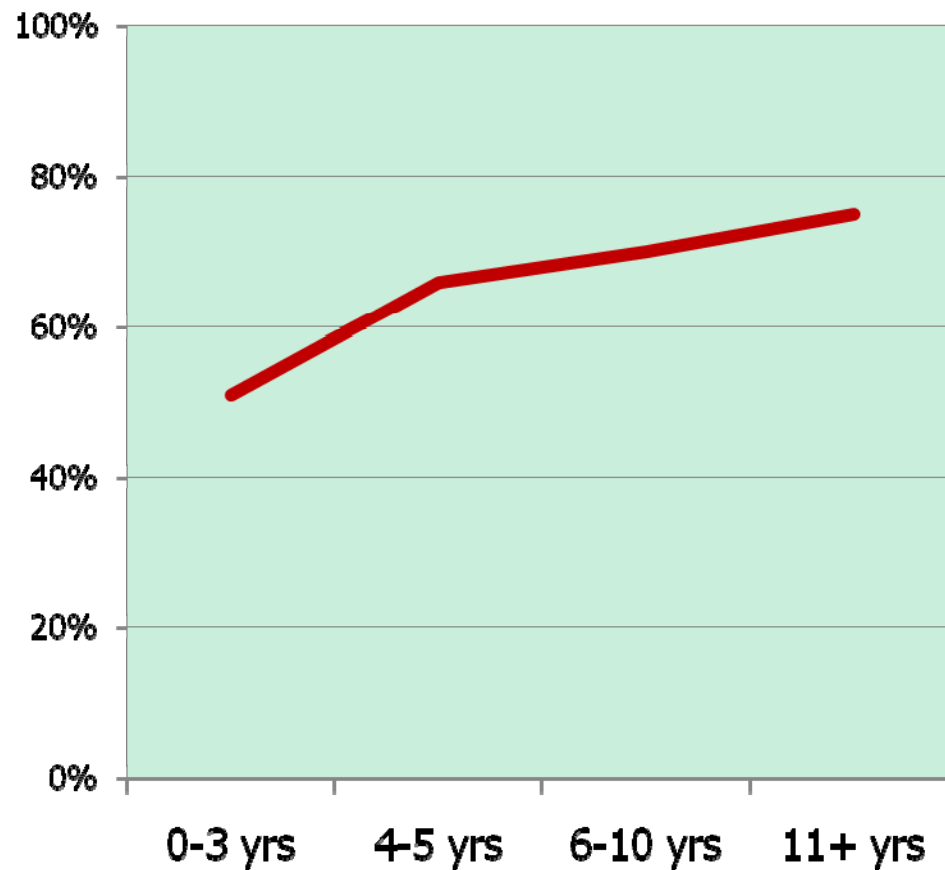


South Asian



Donated to a charitable organization in the past 12 months

Chinese

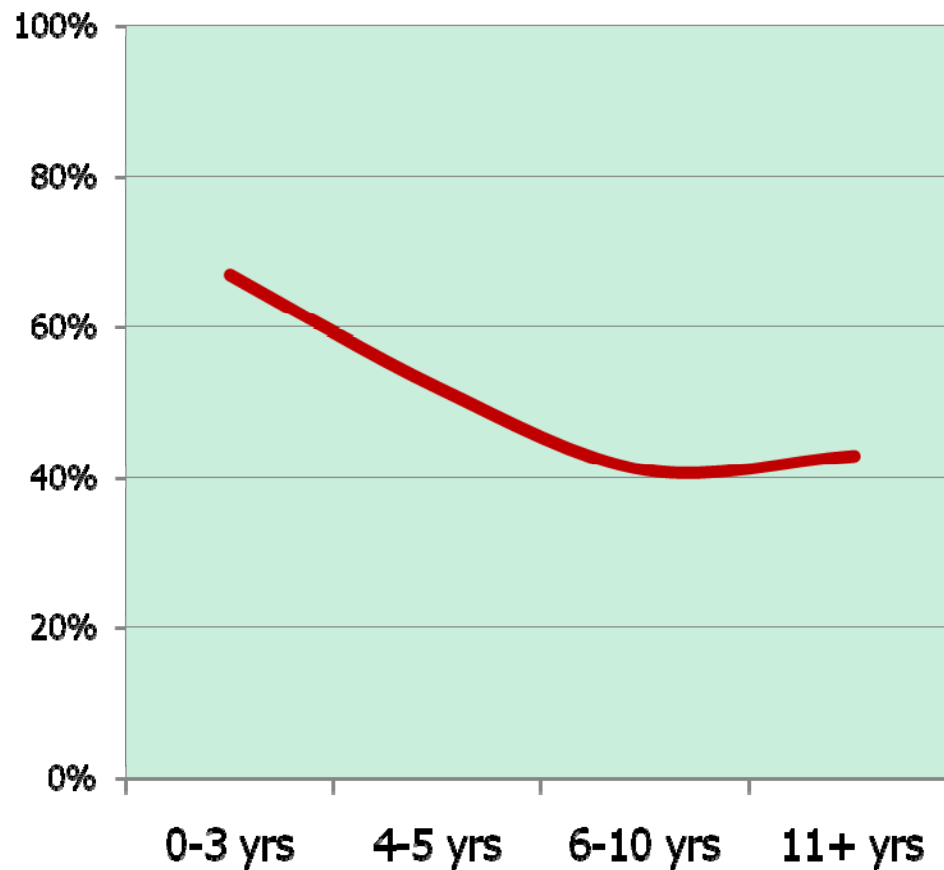


South Asian



Stock-up shopping trips mainly at a Chinese/South Asian grocery store

Chinese



South Asian



Brand Adoption – Household Shopping

		CHINESE		
%		0-5 yrs.	6-10 yrs.	11+ yrs.
T&T		41	28 ↓	29 ↓
A Chinese grocery store/supermarket other than T&T		21	13 ↓	14 ↓
No Frills		4	10 ↑	11 ↑
Costco		7	10 ↑	9 ↑
Loblaws		1	5 ↑	4 ↑
Real Canadian Superstore		1	2	4
Food Basics		2	3	3
Wal-Mart		1	3	3





		SOUTH ASIAN		
%		0-5 yrs.	6-10 yrs.	11+ yrs.
No Frills		22	27 ↓	23 ↓
Wal-Mart		19	9	7
Costco		5	14 ↓	8
Real Canadian Superstore		5	5	8
Loblaws		2 ↑	*	9 ↑
Food Basics		7	11	3

* Less than 1%

↑ ↓ Significant differences

↑ ↓ Trends

Brand Adoption – Beauty Care

	CHINESE WOMEN			SOUTH ASIAN WOMEN		
	0-5 yrs.	6-10 yrs.	11+ yrs.	0-5 yrs.	6-10 yrs.	11+ yrs.
%						
Pantene	47 	31	29	36	38	28 
Head & Shoulders	25	27	16	14	20	26
L'Oreal Vive Pro	5	8	5	3	7	18 
Dove	8	5	5	14	14	10
A salon brand	*	4	6	4	*	3
Clairol Herbal Essences	2	3	6	3	7	18 
Shiseido	11	2	3	*	*	1
Garnier Fructis	1	1	2	5	13	4
Pert Plus	2	1	1	14	7	5
Neutrogena	2	1	1	*	*	1
Aussie	*	*	2	*	*	1

* Less than 1%

  Significant differences

  Trends

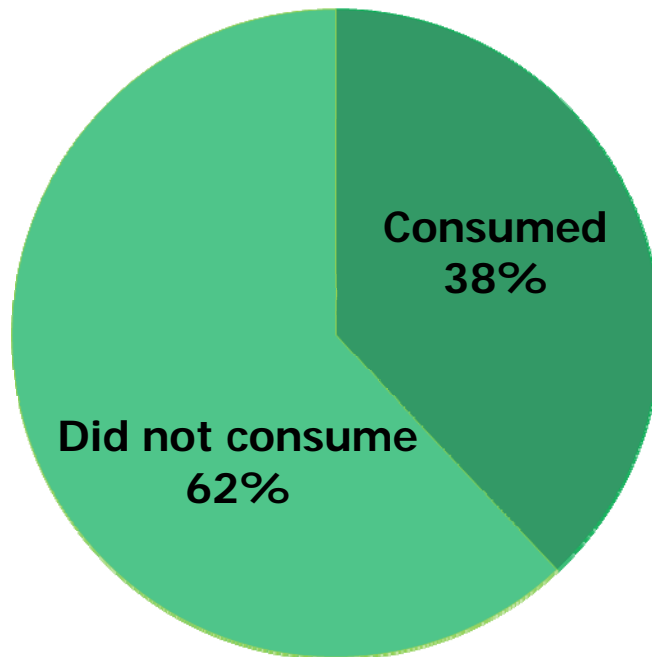
Why pay attention to cultural differences?

- Cultural differences reveal different opportunities and challenges intrinsic to different cultural groups
- Cultural differences call for different communication messages to connect with different cultural groups effectively
- Cultural differences also need to be taken into account when conducting research and analyzing research data

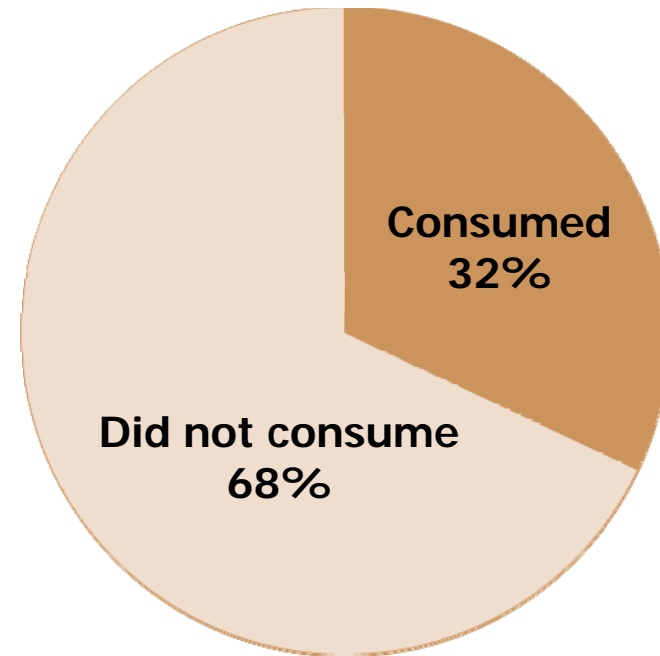
Cultural Differences – Alcohol Consumption

Alcohol beverage* consumption in the past 4 weeks

Chinese



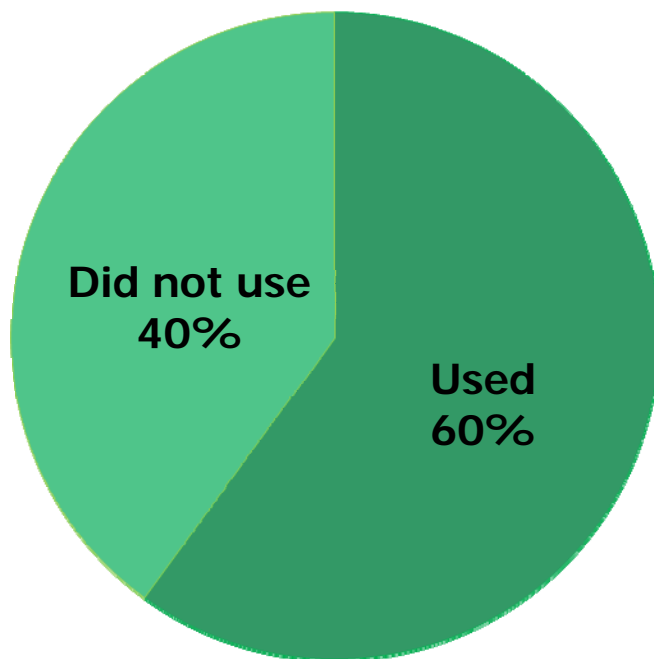
South Asian



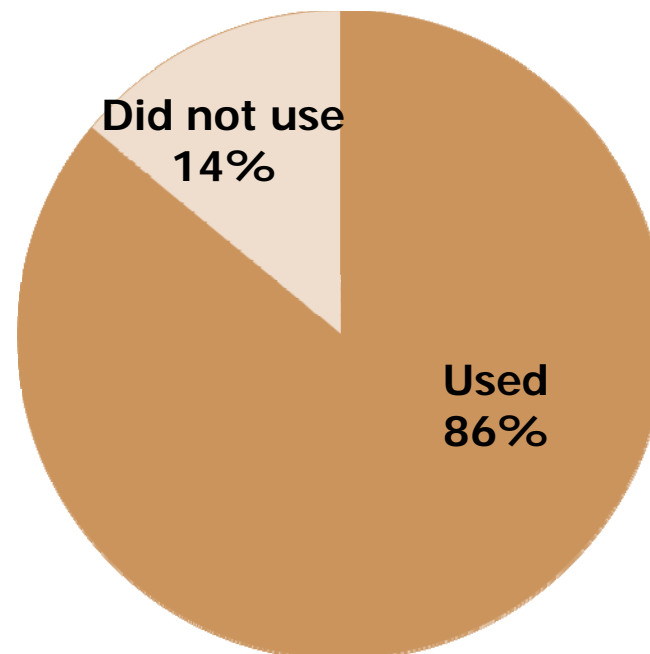
*Categories asked (aided) include wine, beer, whisky, brandy, rum, vodka, gin, wine/spirits/liqueurs from home country and other.

Use of make-up in the past 12 months

Chinese Women



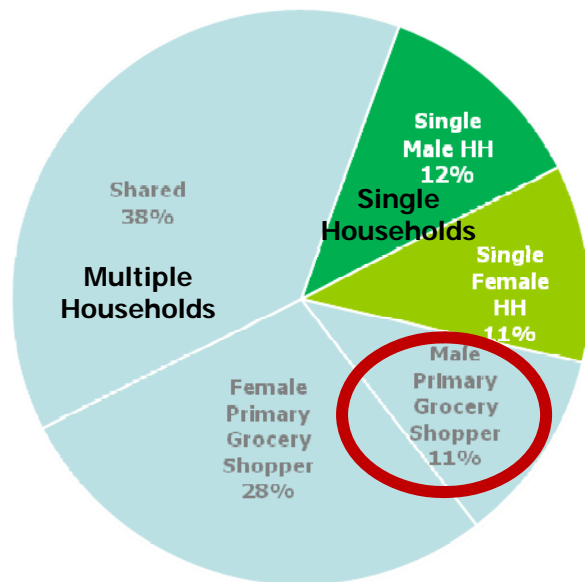
South Asian Women



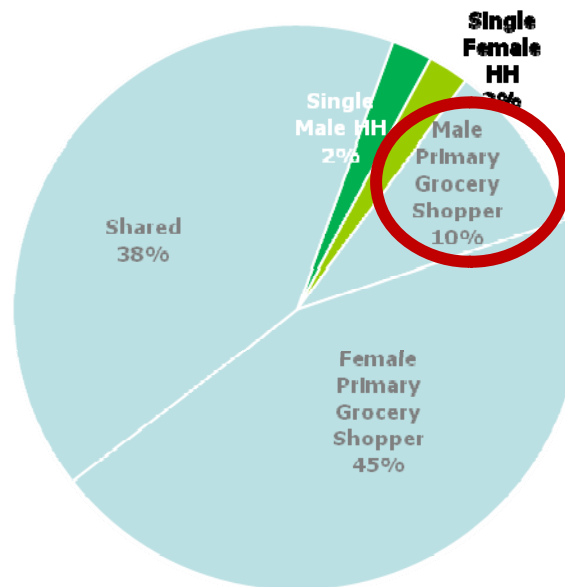
* Definition of make-up used in the survey was such as lipstick, foundation, mascara, eye shadow, etc.

Cultural Differences – Household Shopping

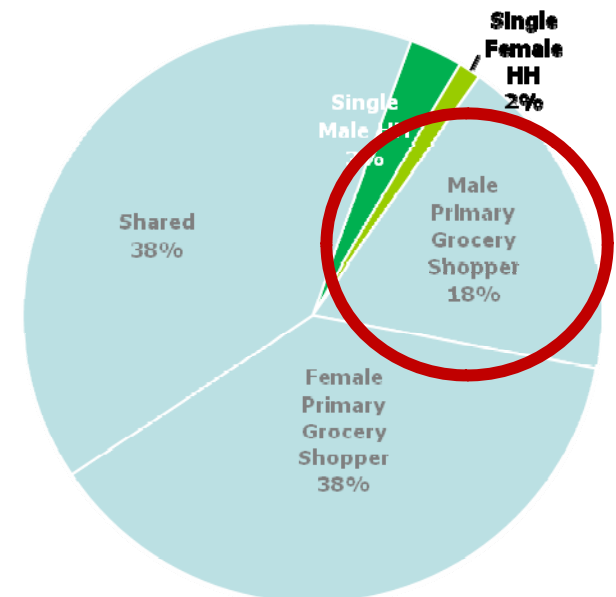
Total Canada



Chinese



South Asian



Subsample: Respondents who are 25 years of age or older

Nuances within a Cultural Group – Alcohol Consumption

Wine consumption among Chinese in the past 4 weeks

(%)	Total	Mainland China	Hong Kong	Taiwan
Home	16	19	12	26
Restaurant	3	1	8 ↑	1
Both	7	5	11 ↑	5
Neither	70	71	66	62

↑↓ Significant differences

↑↓ Trends

Different Hot Buttons

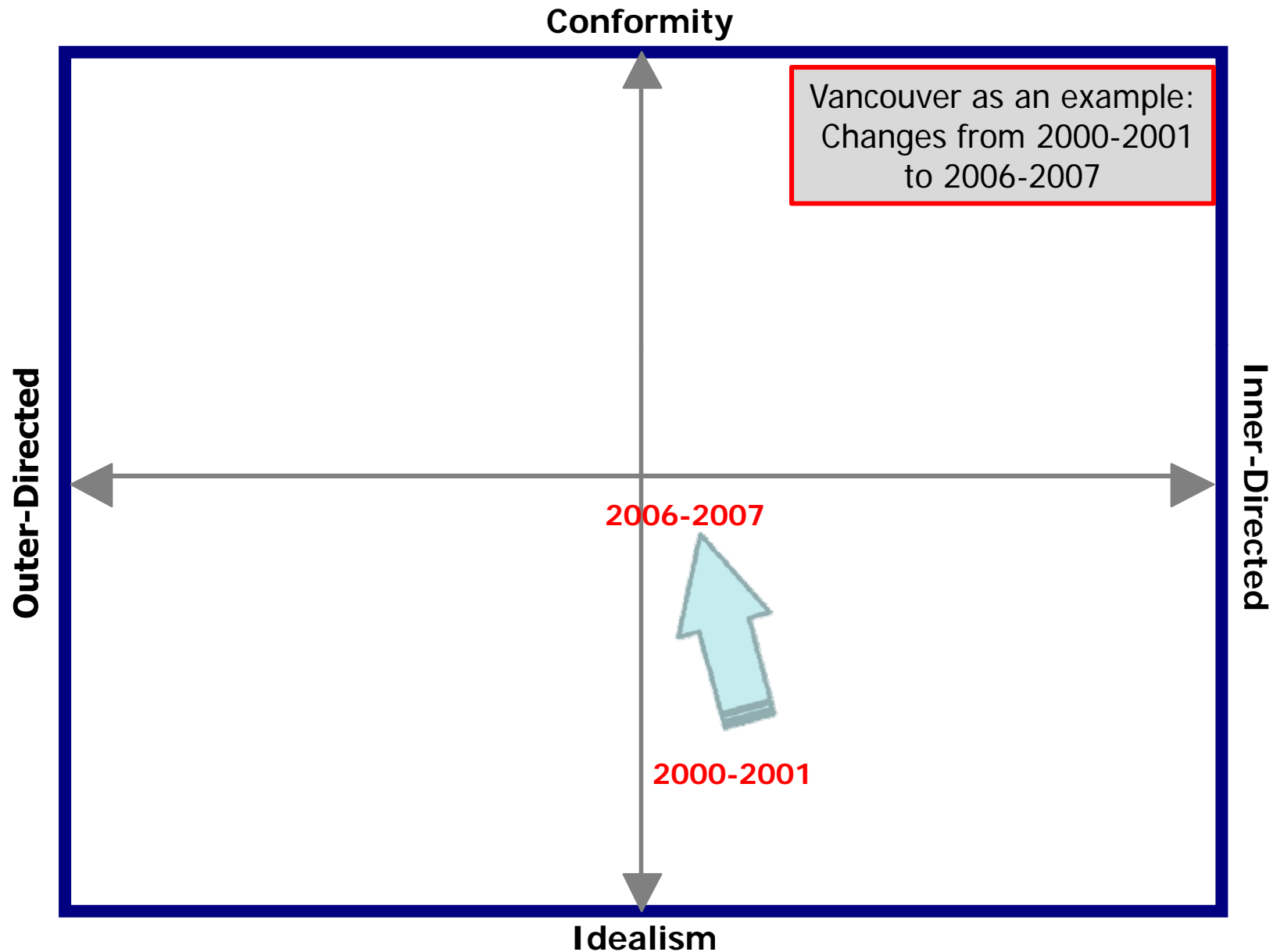
	South Asian	Chinese	Caribbean
Joy of Consumption	++	++	-
Ostentatious Consumption	++	++	+
Need for Status Recognition	+	--	++
Pursuit of Novelty	++	++	-
Early Adoption	+	++	
Concern for Appearance	++	-	++
Saving on Principle	+	+	
Primacy of Environmental Protection	-	-	
Attraction to Nature	--	--	--

++ much stronger, + stronger, - weaker, -- much weaker than the overall Canadian population on the value.
No symbol means similar to the overall Canadian population.

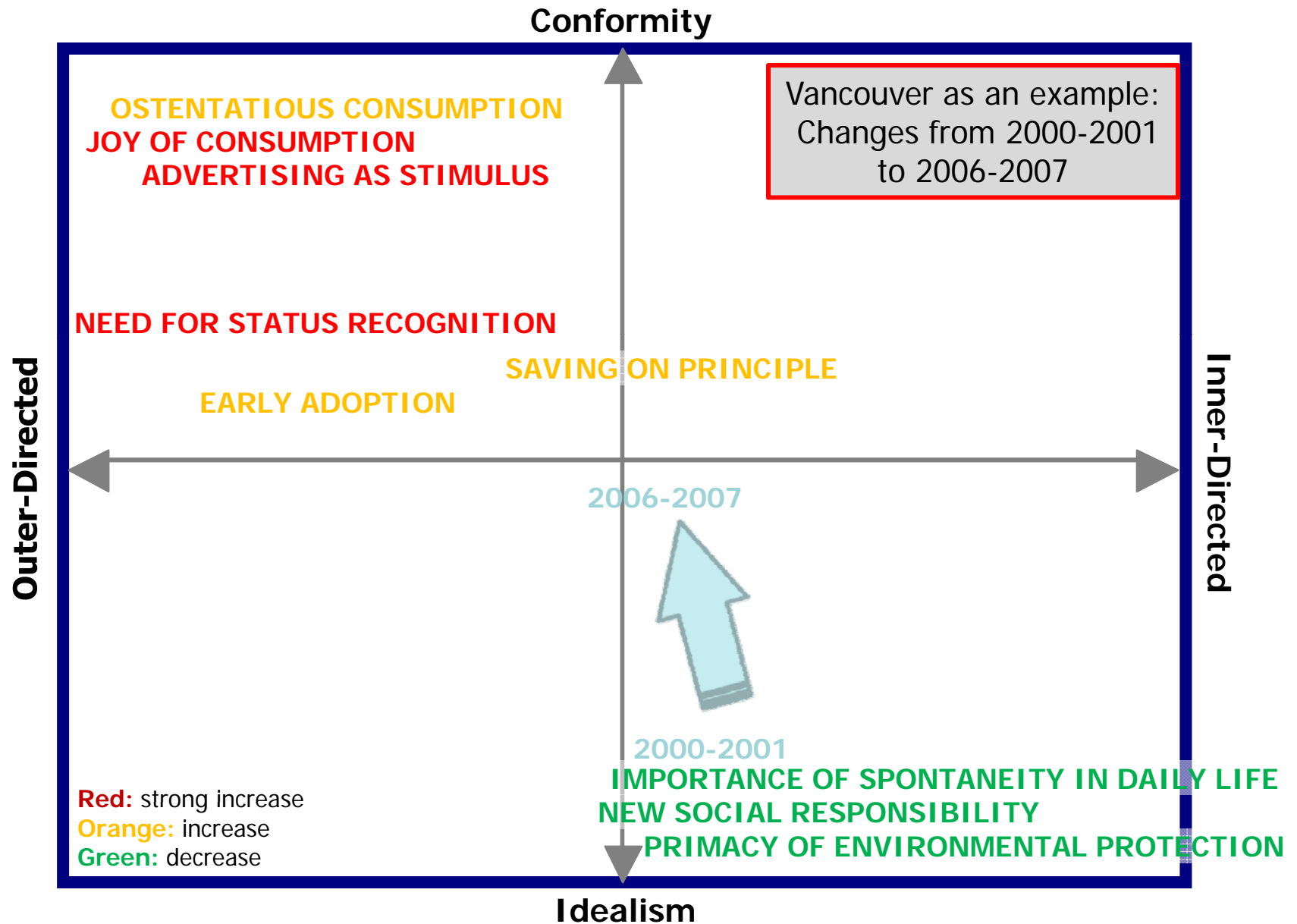
The Imperative

- Canada is at the forefront of multicultural marketing. Canada's multicultural environment calls for the need to recognize, cultivate and reconcile different cultural groups' perspectives within the same market
- The imperative goes beyond the cultural markets, reflecting a "new mainstream"

The New Mainstream



The New Mainstream



Developing and Executing Marketing Plans



Complexity Brings Challenges

Keys to a successful campaign:

1. Proper Group Definition
2. Understanding “Targetability” and Buy-Rates (ROI)
3. Understanding Mindset
4. Recognizing Diversity Within Groups

Target Group Definition

- Immigrants and Period of Immigration
- Country of Birth
- Generation Status
- Ethnic Origin Group
- Visible Minority Group
- Language
 - Mother Tongue
 - Knowledge of Official Language
 - Language Spoken at Home

Group Size and Concentration are Important in Targeting

For example if strategy is to focus on neighbourhoods with high concentration of target group (e.g. 30%)

- This yields
 - ▲ 50% of Chinese in Toronto
 - ▲ 13% of Chinese in Calgary
 - ▲ 6% of Filipinos in Toronto

▪ To most efficiently reach **10,000** people with the following mother tongues, you'll have to mail:

- Chinese: 31,000
- Greek: 55,000
- German: 172,000

Variable Buy Rates Determine ROI

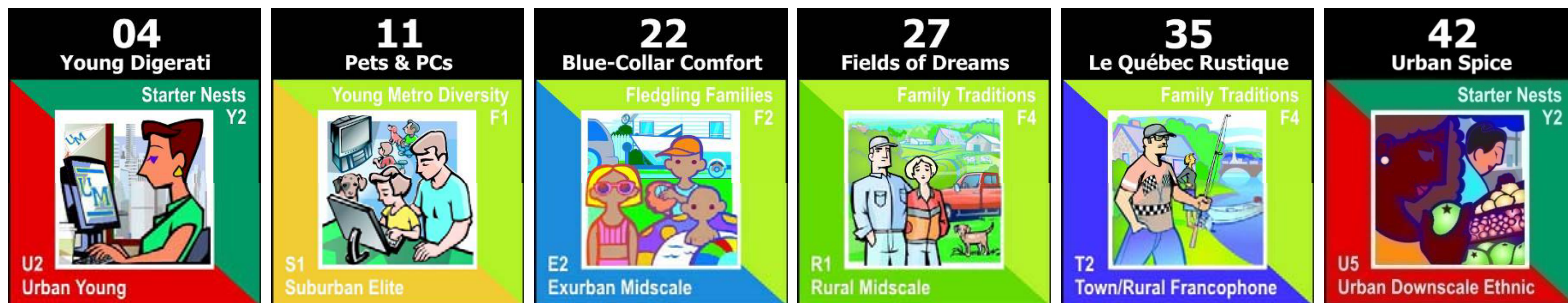
Selected Expenditures - Vancouver CMA	Per HH	Per South Asian HH	Index
Total expenditure	82029	81156	99
Cellular services	468	559	119
Child care expenses	386	425	110
Airplane travel	775	951	123
Disposable diapers	58	70	121
Toys and children's vehicles	123	141	114
Electronic games and parts	82	88	108
Home entertainment equipment	741	816	110
Life insurance premiums	486	625	129

Understanding “Targetability” & Estimating Buy Rates

- For location-based programs such as direct mail, store format, merchandising and outdoor, reasonable levels of concentrations can result in good return on investment
- If the buy rate is double for the group, then mailing twice as many makes sense....if you can estimate buy rate
- Selling a high-end product may be worth blanketing areas that have small percent of your target
- Beware of the “magic” cut-off – it should be product and offer specific
- Combining buy rates with expected targeting hit rates are key to planning specific campaigns

Using Neighbourhood Segments (PRIZM_{C2}) to Better Understand Your Target

- 66 segments or clusters that capture:
 - Socioeconomic status
 - Urbanity (USETR)
 - Ethnic diversity (13 clusters)
 - Francophones (15 clusters)
 - Lifestage



Some Sample Clusters

	01 Cosmopolitan Elite  U1 Urban Elite	15 Electric Avenues  U2 Urban Young	21 South Asian Society  S2 Suburban Upscale Ethnic	22 Blue-Collar Comfort  E2 Exurban Midscale
Description	Prosperous Parents F5 Very wealthy middle-aged and older families	Singles Scene Y1 Young, middle-class urban singles and couples	Young Metro Diversity F1 Younger, upper-middle-class South Asian families	Fledgling Families F2 Middle-aged, upper-middle-class blue-collar families
Age	Middle-Aged & Older	Young	Younger	Middle-Aged
Housing Tenure	Homeowners	Owners/Renters	Homeowners	Homeowners
Education	University	University	Mixed	High School/College
Job Type	White Collar	White Collar & Service Sector	Service Sector & Blue Collar	Service Sector & Blue Collar
Ethnic Presence	Medium	Medium	High	Medium
Sample Environics Social Value	<i>Discriminating Consumerism</i>	<i>Sexual Permissiveness</i>	<i>Search for Roots</i>	<i>Adaptability to Complexity in Life</i>
Preferences	Ballet/opera/symphony Golf equipment Business and finance magazines European wine \$500,000+ in securities and savings	Movies Pilates/yoga Online job search Vegetarian products Electronic banking packages	Video arcades Home theatre systems Download podcasts Fruit drinks Mazda	Baseball Snowmobiles/ATVs People Energy drinks Auto loans


13 Clusters With High Concentrations of Immigrants


05
Asian Affluence
Prosperous Parents F5

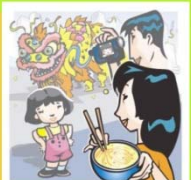
S2
Suburban Upscale Ethnic


09
Furs & Philanthropy
Prosperous Parents F5

U1
Urban Elite

13
Continental Culture
Young Metro Diversity F1

U3
Urban Upscale Ethnic

18
Cluttered Nests
Maturing Diversity F6

U3
Urban Upscale Ethnic

20
Asian Up-and-Comers
Maturing Diversity F6

S2
Suburban Upscale Ethnic


21
South Asian Society
Young Metro Diversity F1

S2
Suburban Upscale Ethnic

29
Suburban Rows
Young Metro Diversity F1

S2
Suburban Upscale Ethnic


33
New Italy
Maturing Diversity F6

U3
Urban Upscale Ethnic

37
Old World Style
Maturing Diversity F6

U3
Urban Upscale Ethnic

42
Urban Spice
Starter Nests Y2

U5
Urban Downscale Ethnic

44
Rooms with a View
Singles Scene Y1

U7
Urban Downscale

46
Newcomers Rising
Young Metro Diversity F1

U5
Urban Downscale Ethnic

64
Big City Blues
Starter Nests Y2

U5
Urban Downscale Ethnic



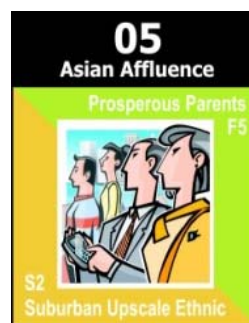
Marketing to Asians in Canada

- While HSBC has grown to serve all communities in Canada, the Asian community is still an important segment
- Selected service offerings are created to meet the needs of this community
- Local marketing, including sponsorships, is part of this approach

Diversity within the Asian Community

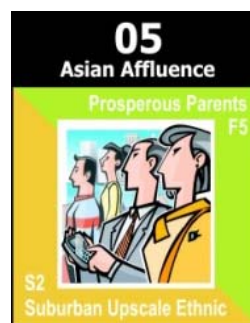
- Used PRIZM_{c2} to identify two segments – Asian Affluence and Asian Up-and-Comers
- Understanding the differences in the demographics, values and financial behaviours of these two groups helps to provide insights down to the branch level
- An analysis of trade areas in Toronto reveals some key differences that affect local marketing

Two Types of Asian Neighbourhoods - Demographics



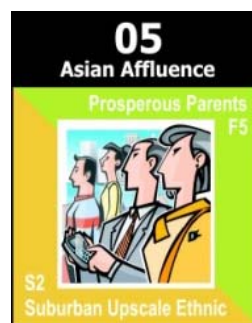
Age of Maintainer	45-64	35-64
Average Household Income	\$123,782	\$75,248
Households with Children	65%	57%
Renters	9%	25%
Single Detached Houses	76%	44%
University Degree	36%	22%
White Collar	44%	33%
Self-Employed	18%	13%
Immigrants	60%	64%

Two Types of Asian Neighbourhoods – Social Values



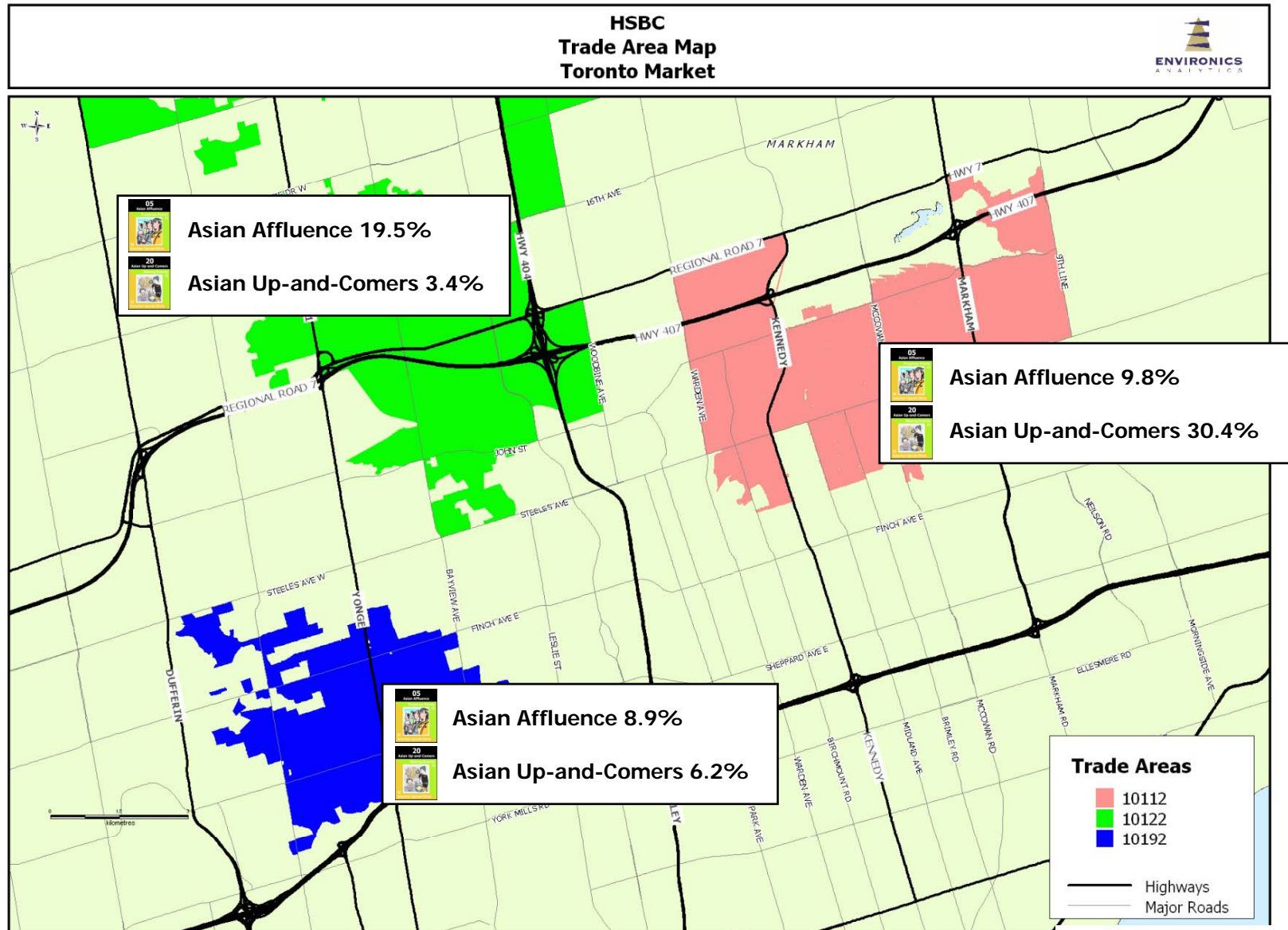
	Index	Index
Ostentatious Consumption	178	96
Saving on Principle	96	136
Canadian Identity	124	133
Control of Privacy	89	125
Meaning of Life Thru Possessions	136	77
Networking	92	155
Everyday Ethics	139	144

Two Types of Asian Neighbourhoods – Financial



	Index	Index
Have GICs	134	160
Have Stocks	222	151
Have Line of Credit	76	109
\$ in Mutual Fund	202	111
Credit Unions	63	153
Internet Banking	108	127
\$ on American Express Card	122	86
MasterCard Balance \$5000+	157	90
No Insurance Policy	88	139

Asian Clusters – Differences by Branch



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No confidential information was provided by Statistics Canada.

Using OriginsCanada to Better Understand Your Client Mix

- Generally there is no multicultural identifier on client files
- OriginsCanada is a tool to assign indicators of cultural background on the basis of first and last name
 - Desktop software
 - Probabilistic assignment
 - Based on extensive name base collected worldwide and used in many countries
 - Tested on Canadian data

Bell Mobility

Competition in Ethnic Markets: Identifying your Client Target Population

- Bell Mobility knew competitors were targeting ethnic communities
- A churn analysis by ethnicity would show the competitive impact on ethnic subscribers
- But...Bell did not have a reliable ethnicity flag on its subscriber database

Churn Analysis with OriginsCanada

- Bell Mobility profiled its entire subscriber base with our OriginsCanada system
- OriginsCanada gave a probabilistic indicator of ethnicity based on first and last name coding
- Deactivations were grouped by OriginsCanada to identify which ethnicities had the highest churn

Origins Group	Percentage in Customer Base	Percentage in Deactivations	Index
ORIGIN A	1.272558%	2.268657%	1.783
ORIGIN B	1.715692%	3.010661%	1.755
ORIGIN C	1.366944%	2.328358%	1.703
ORIGIN D	0.613229%	0.869936%	1.419
ORIGIN E	2.561545%	3.164179%	1.235
ORIGIN F	4.157302%	4.742004%	1.141
ORIGIN G	0.194519%	0.221748%	1.140
ORIGIN H	0.922498%	1.049041%	1.137
ORIGIN I	0.402968%	0.452026%	1.122
ORIGIN J	0.264231%	0.289979%	1.097
ORIGIN K	6.093124%	6.481876%	1.064
ORIGIN L	1.899655%	1.918977%	1.010
ORIGIN M	32.329796%	30.737740%	0.951
ORIGIN N	34.589879%	31.931770%	0.923
ORIGIN O	11.597944%	10.533049%	0.908
ORIGIN P	0.018053%	0.000000%	0.000

- OriginsCanada shows different churn rates by ethnic origin
- Bell has incorporated OriginsCanada scores into churn models

Ten Take Away Messages



Ten Take Away Messages: Successful Marketing to Multicultural Communities

1. Clearly define your target population of interest
2. Understand the size, location and demographics of your target population
3. Recognize that both cultural differences and tenure in Canada may be important
4. Research consumer behaviour preferences to determine how they vary by cultural group or tenure in Canada
5. Research the mindset of your target population to help in developing appropriate communication strategies

Ten Take Away Messages: Successful Marketing to Multicultural Communities

6. An understanding of populations in their country of origin may be helpful
7. Devil is in the geographic detail; both group size and concentration are important
8. Recognize that aggregate groups such as Chinese and South Asian may hide important differences within these groups
9. Yes, marketing to the multicultural communities is complex and requires solid information and insights
10. Good news is that help is available from the Environics companies that together offer comprehensive support for understanding the demographics, researching when and how cultural differences matter, and developing and implementing efficient and effective marketing plans

For further information or to discuss how we can help you please contact us at:



www.environicsanalytics.ca
416.969.2733



http://erg.environics.net/practice_areas/cultural_markets/
416.969.2798